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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 30, 2013

Scott Nielson
3900 South Redwing Street
West Valley City, Utah 84119

Subject: Deficient Amended Notice of Intention to Commence Small Mining Operations,
Marion and Scott Nielson, Utopia 1&2/Miller Cove Mine, S/027/0056, Millard County,
Utah

Dear Mr. Nielson:

The Division of Oil, Gas and Mining has reviewed the amended Notice of Intention to Commence Small Mining Operations for the referenced mine and the following items will need to be addressed before the amendment can be approved:

1. Please provide documentation that you are authorized to sign for Marion Nielson, who we understand has passed away. Please also provide information for any other contacts associated with the mine.
2. Identify the Bureau of Land Management (BLM) as the surface and mineral owner.
3. Provide a legal description of the operations area. It appears to be the NW¼ of Section 12, and possibly the NE¼ of Section 11 of Township 19 South, Range 14 West, Salt Lake Meridian.
4. Identify the total surface disturbance for the current and proposed project (in acres). The project as proposed is anticipated to disturb significantly less than 1 acre.
5. You will need to clean up any supplies and trash for which you are responsible. It is in your best interest to indicate where any long-term supplies are kept and that previous trash exists for which you are not responsible.
6. Provide a signed statement that you will conduct reclamation as required by Utah Administrative Code R647-3. To fulfill this requirement, please sign and return the attached Page 7.
7. Location Map - Provide a map identifying existing access roads. You may choose to draw the access route on the provided Location Map and re-submit.



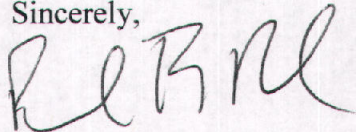
8. Operation Map - Provide a map at a scale of about 1"=200' map, with a north arrow and an accurate scale, showing the location and approximate dimensions of the following:
 - a. The planned disturbed area, including the locations of planned test excavations and any areas where supplies will be kept,
 - b. Existing disturbances. Please identify the locations of existing water retention ponds, and any tanks, supplies, cuts, pits, dumps, roads, and other mining-related features for which you are responsible, and
 - c. Any disturbance for which you are not responsible.
9. Reclamation Contract - Please submit a signed and notarized reclamation contract (copy attached).

Based on the Division's site-specific calculation to determine reclamation surety, you will need to provide \$2,600 as reclamation surety. This amount is rounded up from the bond amount estimated by the BLM of \$1,452 (using SRCE 2012 Cost Data Version 3.2), and also includes an adjustment factor for projected inflation, and an additional \$1,000 to be consistent with the Division's anticipated costs for mobilization and demobilization.

The current reclamation surety held by the BLM for Marion Nielson's existing permit (S/027/0056) is \$1,195. The surety needs to be increased by \$1,405 before the Division can approve this amendment. It may be provided either to the Division or to the BLM. Contact Penny Berry at 801-538-5291 if you have any questions regarding forms of reclamation surety accepted by the Division.

Please call Peter Brinton at 801-538-5258 or me at 801-538-5261 if you have any questions regarding this letter. In reply, please refer to file number S/027/0056. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: pnb, eb

Enclosure: NOI Page 7 _____

Location Map

Reclamation Contract (Form MR-RC-SMO)

cc: Duane Bays, BLM-Fillmore (dbays@blm.gov)

Opie Abeyta, BLM-UTSO (oabyetya@blm.gov)

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